

REQUEST FOR PROPOSAL

West Virginia Offices of the Insurance Commissioner

Workers' Compensation for West Virginia State Agencies

INS 11015

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SECTION ONE: GENERAL INFORMATION

- 1.1 Purpose: The West Virginia Offices of the Insurance Commissioner (OIC) is soliciting proposals from qualified firms to provide workers' compensation insurance coverage and all services associated with a full service insurance program including claims, loss control, premium audit and other risk management services.

This solicitation is being conducted as a direct solicitation to the workers' compensation insurance carriers. The effective date for coverage must be September 1, 2011, with an initial policy term of thirty four (34) months. Premium is to be recalculated July 1, 2012 and every subsequent July 1st using added or reduced payroll, changes in class code exposures due to premium audits, current approved lost costs and any changes in the pool's experience modification factor. No other increases, including increases to the loss cost multiplier or reducing the deductible credit, will be accepted.

- 1.2 By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this RFP.

A Request for Proposal (RFP) is generally used for the procurement of services in situations where price is not the sole determining factor and the award will be based on a combination of cost and technical factors (Best Value). Through its proposal, the bidder offers a solution to the objectives, problem, or need specified in the RFP, and defines how it intends to meet (or exceed) the RFP requirements.

1.2.1 Compliance with Laws and Regulations: The Vendor shall procure all necessary permits and licenses to comply with all applicable Federal, State, or municipal laws, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract shall be borne by the Vendor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract. The State will be required to remit the workers' compensation policy surcharges of W. Va. Code Chapter 23 and the WV Fire and Casualty Surcharge of Chapter 33 when applicable.

1.3 Schedule of Events:

Vendor's Written Question Submission Deadline.....	06/22/2011
OIC Responses to Questions Anticipated By	06/27/2011
Vendor's Written RFP Submission Deadline and Openings	07/06/2011
Vendor Presentations.....	07/11/2011 – 07/14/2011
* All respondents will be given the opportunity to make a 1.5 hour presentation	
Opening of Cost Proposals and Award Date	07/15/2011

1.4 **Mandatory Pre-bid Conference:** N/A

1.5 **Inquiries:** Inquiries regarding specifications of this RFP must be submitted in writing to the Purchasing Contact, Vickie Marcum, ASA II, with the exception of questions regarding the method of proposal submission which may be oral. The deadline for written inquiries is identified in the Schedule of Events, Section 1.3. All inquiries of specification clarification must be addressed to:

Vickie Marcum, ASA II

WV Offices of the Insurance Commissioner
1124 Smith Street
P.O. Box 50504
Charleston, WV 25305-0540
Fax: (304) 558-4967
Email: Vickie.Marcum@wvinsurance.gov

No contact between the Vendor and other OIC personnel is permitted without the express written consent of the Purchasing Contact. Violation may result in rejection of the bid. The Purchasing Contact named above is the sole contact for any and all inquiries after this RFP has been released.

- 1.6 **Verbal Communication:** Any verbal communication between the Vendor and any State personnel is **not** binding. Only information issued in writing and added to the RFP specifications by an official written addendum by the OIC is binding.
- 1.7 **Addenda:** If it becomes necessary to revise any part of this RFP, an official written addendum will be issued by the OIC.

SECTION TWO: PROJECT SPECIFICATIONS

- 2.1 **Location:** The OIC is located at 1124 Smith Street, Charleston, West Virginia.
- 2.2 **Demographics of the Pool:**
- Standard workers' compensation coverage for medical and indemnity exposures.
 - Premium calculated at a guaranteed cost offering and also at deductible levels of 100,000 dollars and 250,000 dollars per occurrence.
 - Annual aggregate deductibles corresponding to the per occurrence deductibles are requested. The cost of the aggregate deductible versus likely claim scenarios will be considered in the evaluation.
 - Employers liability coverage to be at 1,000,000 dollars CSL
 - Initial policy period will be September 1, 2011 to June 30, 2012. Subsequent policy periods will be July 1 to June 30.
 - There will be a single policy to cover these exposures.

- Current Pool e-mod is 1.28
- This contract will be initially for thirty four (34) months with option for two (2), thirty six (36) month renewals.
- An electronic copy of the five (5) year loss histories and the current agency payroll and exposure base by class can be obtained from the Purchasing Contact listed in RFP Section 1.5.

2.3 **Qualifications and Experience:**

West Virginia Office of Insurance Commissioner is seeking a qualified carrier to provide workers' compensation coverage to certain state agencies. The carrier will need to have an A. M. Best financial strength rating of A- or above and have a financial size rating of IX or better.

2.4 **Project Description:** The OIC requests bids from qualified vendors to provide the following services for the state agencies workers' compensation program:

The successful carrier will provide a full range of services to the West Virginia State Agencies Program. These services include but are not limited to:

- Professional claims adjusting. This will include all managed care, prescription drug plan, utilization review, bill review, return to work, other allocated and unallocated claim expenses. Claims services provided will be on a first dollar basis.
- The carrier will discuss their reserving philosophy and strategy with OIC. The carrier will be responsible for the setting and maintenance of the reserves on this program. The OIC will audit at a minimum annually to verify the reserving strategy is being utilized.
- A loss fund will be created to provide claim funds for the selected deductible to pay for losses and allocated loss expenses.
- Loss reporting will be on a monthly basis by agency and location.
- Loss control services. The West Virginia Office of Insurance Commissioner expects the selected carrier to conduct an initial loss control visit to each agency the first year. At a minimum the Commissioner would expect that all state agency locations will have at least one loss control visit every three years. The Commissioner is to be notified of any loss control recommendations and the response of the agency to the recommendations. The carrier will report the results of their loss control activities quarterly. In addition, the service provider shall provide a comprehensive safety and loss control program focused on reducing claim frequency and severity through training and hazard reduction.

The carrier shall develop a loss control program giving consideration to size of the agency, loss experience and type of risk/exposure.

- The carrier should develop a strategy to address experience modifier issues incorporating an integrated approach with the goal of obtaining a credit experience mod on this program.
- The carrier must maintain premium and loss data at the agency level allowing the State to calculate separate internal experience rating assessments to pool members. Policy data will be reported by the carrier to the State's statistical agent (NCCI) as a single block.
- The carrier will perform annual premium audits on all agencies in this program. The audits should be completed 120 days after the policy period has ended. A report of premium audit made to the Commissioner should include a breakdown of final payrolls by classification by agency.
- The carrier will report the premium and loss experience of this program to the required data reporting agencies.
- The Office of the Insurance Commissioner prefers monthly but not less than quarterly loss runs, consistent with industry standards, and inclusive of location codes corresponding to the respective participating agencies.

This program is required by W.Va. Code §33-2-21a for state agencies that are reporting to the Governor's office. These agencies are generally managed by appointees of the Governor. State agencies that do not report to the Governor have an option of participating in this program. These discretionary agencies are generally managed by elected officials. Currently there will be approximately 100 agencies with about 780,000,000 dollars of payroll participating in this program. Vendor must be willing to accept or cede risks/payroll under the policy of new discretionary agencies which opt in or out of the pool pursuant to established pool procedures.

2.5 **Mandatory Requirements**

Mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms "must", "will", "shall", "minimum", "maximum", or "is/are required" identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the OIC.

- 2.6 **Oral Presentations:** The OIC will provide each respondent an opportunity to present an oral presentation between July 11, 2011 and July 14, 2011. During oral presentations, Vendors may not alter or add to their submitted proposal, but only clarify information.

SECTION THREE: VENDOR PROPOSAL

3.1 **Economy of Preparation:** Proposals should be prepared simply and economically providing a straightforward, concise description of the Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of the content.

3.2 **Incurring Cost:** Neither the State nor any of its employees or officers shall be held liable for any expenses incurred by any Vendor responding to this RFP, including but not limited to preparation, delivery, or travel.

3.3 **Proposal Format:** Vendors should provide responses in the format listed below:

Title Page: State the RFP subject, number, Vendor's name, business address, telephone number, fax number, name of contact person, e-mail address, and Vendor signature and date.

Table of Contents: Clearly identify the material by section and page number.

Attachment A: Within the attached response sheet (**Attachment A: Vendor Response Sheet**), provide the following: carrier approach, methodology and work plan for implementation of the services with emphasis on loss control and risk management.

Attachment B: Complete **Attachment B: Cost Sheet** included in this RFP and submit in a **separate** sealed envelope. Cost should be clearly marked.

3.4 **Proposal Submission:** Proposals must be received in **two distinct parts**: technical and cost.

- **Technical proposals** must **NOT** contain any cost information relating to the project.

- **Cost proposal** shall be sealed in a **separate envelope** and will not be opened initially.

All proposals must be submitted to the Purchasing Contact **prior** to the date and time stipulated in Section 1.3 as the RFP Submission Deadline (July 6, 2011). All bids will be dated and time stamped to verify official time and date of receipt.

3.4.1 Vendors should allow sufficient time for delivery. Any proposal received after the Submission Deadline will be disqualified.

Vendors responding to this RFP shall submit:

One original technical and cost proposal plus Six (6) convenience copies to:

West Virginia Offices of the Insurance Commissioner

Attn: Vickie Marcum

1124 Smith Street

P.O. Box 50540

Charleston, WV 25305-0504

The outside of the envelope or package(s) for both the technical and the cost should be clearly marked:

Vendor: _____

OIC Contact: Vickie Marcum

Req #: INS 11015

RFP Opening Date: 7/6/2011

Opening Time: 3:30 p.m.

3.5 **Purchasing Affidavit:** *West Virginia Code* §5A-3-10a requires that all bidders submit an affidavit regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal.

- 3.6 **Resident Vendor Preference:** In accordance with *West Virginia Code* §5A-3-37, Vendors may make application for Resident Vendor Preference. Said application must be made on the attached Resident Vendor Certification form at the time of proposal submission.
- 3.7 **Technical Bid Opening:** The OIC will open only the technical proposals received prior to the date and time specified in the Request for Proposal. The technical proposals shall then be provided to the evaluation committee.
- 3.8 **Cost Bid Opening:** The OIC will open cost proposals once the Agency evaluation committee has completed the technical evaluation.

SECTION FOUR: EVALUATION AND AWARD

- 4.1 **Evaluation Process:** Proposals will be evaluated by a committee of three (3) or more individuals against the established criteria with points deducted for deficiencies. The Vendor who demonstrates that they meet all of the mandatory specifications required; and has appropriately presented within their written response and/or during the oral demonstration (if applicable) their understanding in meeting the goals and objectives of the project; and attains the highest overall point score using the State selected deductible level (i.e., zero, \$100K or \$250K) shall be awarded the contract. The State will determine which deductible level is appropriate during the evaluation process and the overall point score will be determined by only using the cost proposals for the selected level. The selection of the successful Vendor will be made by a consensus of the evaluation committee.
- 4.2 **Evaluation Criteria:** All evaluation criteria is defined in the specifications section and based on a 100 point total score. Cost shall represent a minimum of 30 of the 100 total points.

The following are the evaluation factors and maximum points possible for technical point scores:

- Approach, Methodology and Timeline 70 Points Possible
 - Cost (State will select deductible level utilized zero, \$100K, \$250K) 30 Points Possible
- Total** 100 Points Possible

Each cost proposal cost will be scored by use of the following formula for all Vendors who attained the minimum acceptable score:

$$\frac{\text{Lowest price of all proposals at State selected deductible level}}{\text{Price of Proposal being evaluated at State selected deductible level}} \times 30 = \text{Price Score}$$

Price of Proposal being evaluated at State selected deductible level

- 4.2.1 Technical Evaluation: The evaluation committee will review the technical proposals, deduct points where appropriate, and make a final written recommendation to the Insurance Commissioner.
- 4.2.2 Minimum Acceptable Score: Vendors must score a minimum of 70% (49 points) of the total technical points possible. All Vendors not attaining the minimum acceptable score (MAS) shall be disqualified and removed from further consideration.
- 4.2.3 Cost Evaluation: The evaluation committee will review the cost proposals, assign appropriate points, and make a final recommendation to the Insurance Commissioner.
- 4.3 **Independent Price Determination**: A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.
- 4.4 **Rejection of Proposals**: The OIC reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The OIC further reserves the right to

withdraw this RFP at any time and for any reason. Submission of or receipt of proposals by the OIC confers no rights upon the bidder nor obligates the State in any manner.

- 4.5 **Vendor Registration:** Vendors participating in this process should complete and file a Vendor Registration and Disclosure Statement (Form WV-1) and remit the registration fee. Vendor is not required to be a registered Vendor in order to submit a proposal, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order or contract.

SECTION FIVE: CONTRACT TERMS AND CONDITIONS

- 5.1 **Contract Provisions:** The RFP and the Vendor's response will be incorporated into the contract by reference. The order of precedence shall be the contract, the RFP and any addendum, and the Vendor's proposal in response to the RFP.
- 5.2 **Public Record:** All documents submitted to the OIC related to purchase orders or contracts are considered public records. All bids, proposals, or offers submitted by Vendors shall become public information and are available for inspection during normal official business hours after the bid opening.
- 5.2.1 Risk of Disclosure: The only exemptions to disclosure of information are listed in **West Virginia Code** §29B-1-4. Any information considered a trade secret must be separated from the Vendor submission and clearly labeled as such. Primarily, only trade secrets, as submitted by a bidder, are exempt from public disclosure. The submission of any information to the State by a Vendor puts the risk of disclosure on the Vendor. The State does not guarantee non-disclosure of any information to the public.
- 5.2.2 Written Release of Information: All public information may be released with or without a Freedom of Information request; however, only a written request will be acted upon with duplication fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently, the fees are 50 cents per page, or a minimum of \$10.00 per request, whichever is greater.

5.3 **Conflict of Interest:** Vendor affirms that neither it nor its representatives have any interest nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency.

5.4 **Vendor Relationship:** The relationship of the Vendor and the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, *et cetera* and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

The Vendor shall not assign, convey, transfer, or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association, or entity without expressed written consent of the Agency.

5.4.1 Subcontracts/Joint Ventures: The Vendor may, with the prior written consent of the State, enter into subcontracts for performance of work under this contract.

- 5.4.2 **Indemnification:** The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage laws.
- 5.4.3 **Governing Law:** This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations as provided by Federal, State, and local governments.
- 5.5. **Term of Policy and Renewals:** This policy will be effective September 1, 2011 to June 30, 2014 at which time the contract may, upon mutual consent, be renewed for thirty six (36) months. The contract is eligible for two (2) three (3) year renewals.
- 5.6 **Non-Appropriation of Funds:** If funds are not appropriated for the Agency in any succeeding fiscal year for the continued use of the services covered by this contract, the State may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The State shall give the Vendor written notice of such non-appropriation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.
- 5.7 **Changes:** If material changes to the contract become necessary, a formal contract change order will be negotiated by the OIC and the Vendor.

As soon as possible, but not to surpass thirty (30) days after receipt of a written change request from the Agency, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written Statement identifying any price impact on the contract. The Vendor shall provide a description of any price change associated with the implementation.

NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER FROM THE PURCHASING DIVISION.

The following changes are exempt from this provision: Changes to insured pool membership in terms of West Virginia state agencies participating; changes in the amount of quarterly payroll reported in the insurance policy; and all other changes which are considered customary and usual periodic changes regarding the terms and conditions in a workers' compensation policy.

5.8 **Price Quotations:** Subject to regular changes in statutory surcharges and changes in premium rates, based on changes to added or reduced payroll, changes in class code exposures due to premium audits, changes in approved loss costs and any changes in the experience modification factor, the price(s) quoted in the Vendor's proposal will not be subject to any increase, including but not limited to the originally quoted loss cost multiplier or a reduction in the deductible credit, and will be considered firm for the life of the contract unless specific provisions have been provided in the original specifications.

5.9 **Payment For Services:** Payment for the Vendor's services shall be through policy invoicing of the OIC.

5.10 **Liquidated Damages:** Not Applicable

5.11 **Contract Termination:** The State may terminate any contract resulting from this RFP immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which may endanger the contract's continuation. If after such notice the Vendor fails to remedy the conditions within the established timeframe, the State shall order the Vendor to cease and desist any and all work at a date set by the State. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may be terminated by the State with thirty (30) days prior notice pursuant to ***West Virginia Code of State Rules*** § 148-1-7.16.2.

5.12 **Special Terms and Conditions:**

5.12.1 Bid and Performance Bonds: Not Applicable

5.12.2 Insurance Requirements: Prior to award of a contract, the successful vendor must provide liability insurance certificates to show that there is an amount of liability insurance that the OIC determines to be adequate to cover exposures resultant from the services rendered by the vendor.

5.12.3 License Requirement: Successful vendor must demonstrate that they have any license required to conduct their business.

5.12.4 Protest Bond: Not Applicable

5.13 **Record Retention (Access and Confidentiality)**: Vendor shall comply with all applicable Federal and State rules, regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by the Vendor. The Vendor shall maintain such records a minimum of five (5) years and make such records available to Agency personnel at the Vendor's location during normal business hours upon written request by the Agency within ten (10) days after receipt of the request.

Vendor shall have access to private and confidential data maintained by the Agency to the extent required for the Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and the Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by the Vendor.

Exhibit 1: Five Year Loss History

Exhibit 2: Payroll and Class Codes by Agency

Electronic copies of the five (5) year loss histories and the current agency payroll and exposure base by class can be obtained from the Purchasing Contact listed in RFP Section 1.5. Exhibits will be sent via overnight express.

Vickie Marcum, ASA II
WV Offices of the Insurance Commissioner
1124 Smith Street
P.O. Box 50504
Charleston, WV 25305-0540
Fax: (304) 558-4967
Email: Vickie.Marcum@wvinsurance.gov

Attachment A: Vendor Response Sheet

Provide a response regarding the following:

Qualifications and Experience:

Provide your current A.M. Best Financial Strength Rating and your A.M. Best Financial Size Category.

Vendor Response:

Approach, Methodology and Timeframe:

Provide your proposed approach for the following services:

Claims services provided will be on a first dollar basis. Briefly describe your claims adjusting services. This is to include managed care, prescription drug plan, utilization review, bill review and return to work programs.

Vendor Response:

Briefly discuss your reserving philosophy and strategy for this program. The carrier will be responsible for the setting and maintenance of the reserves. The OIC will audit at a minimum annually to verify the reserving strategy is being utilized.

Vendor Response:

A loss fund will be created to provide claim funds for the selected deductible to pay for losses and allocated loss expenses. Briefly describe your proposed terms, methodology and operational structure.

Vendor Response:

Loss reporting will be required on a monthly basis by agency and location. Briefly describe your approach to meet and provide sample reports.

Vendor Response:

Briefly describe your proposed loss control services for the program. The OIC expects the selected carrier to conduct an initial loss control visit to each agency the first year. At a minimum the Commissioner would expect that all state agency locations will have at least one loss control visit every three years. The Commissioner is to be notified of any loss control recommendations and the response of the agency to the recommendations. The carrier will report the results of their loss control activities quarterly. In addition, the service provider shall provide a comprehensive safety and loss control program focused on reducing claim frequency and severity through training and hazard reduction. The carrier shall develop a loss control program giving consideration to size of the agency, loss experience and type of risk.

Vendor Response:

Briefly describe your strategy to address experience modifier issues incorporating an integrated approach with the goal of obtaining a credit experience mod on this program.

Vendor Response:

Briefly describe your strategy to address the OIC's desire to maintain premium and loss data at the agency level allowing the State to calculate separate internal experience rating assessments to pool members. Policy data will be reported by the carrier to the State's statistical agent (NCCI) as a single block.

Vendor Response:

Briefly describe how you will conduct your premium audit program for the pool. The OIC's desires annual premium audits on all agencies in this program. The audits should be completed 120 days after the policy period has ended. An electronic report of premium audit findings made to the Commissioner shall include a breakdown of final payrolls by classification by

agency.

Vendor Response:

The carrier agrees to report the premium loss experience and coverage of plan participants to the required data reporting agencies.

Vendor Response:

Briefly describe your policyholder loss run reporting, include sample reports. The OIC prefers monthly but not less than quarterly electronic loss runs, consistent with industry standards, and inclusive of location codes corresponding to the respective participating agencies.

Vendor Response:

Provide your proposed Work Plan and Timelines.

Vendor Response:

Attachment B: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a **separate sealed envelope**. Envelope shall be clearly marked. "Cost Proposal"

State will choose appropriate deductible level (zero, \$100K or \$250K) during the evaluation process and final cost scoring for all vendors will be based on the cost proposals at the State chosen deductible level. Cost proposals at each deductible level listed are desired, but not required. Should the State select a deductible for which a vendor has not submitted a bid, that vendor proposal will not be final scored.

Total Estimated Premium: September 1, 2011 through June 30, 2012. Enclose a detailed guaranteed cost quote utilizing payroll and class code information provided (Exhibit 2).

Additionally: Complete the following table for each level:

Guaranteed Cost Policy

	Factor (Percent)
Loss Cost Multiplier	
EL Increased Limits Factor	
Deductible Credit	NA
Schedule Rating Factor (if applicable)	
Premium Discount Factor (if applicable)	

Any First Year Policy Implementation Fee (if applicable) \$_____

Total Policy Premium Due (9/1/2011 – 6/30/2012) using data provided in Exhibit 2.
\$_____

Total Estimated Premium: September 1, 2011 through June 30, 2012. Enclose detailed quotes at the various deductible levels utilizing payroll and class code information provided (Exhibit 2).

Additionally: Complete the following table for each deductible level:

\$100,000 Per Occurrence Deductible

	Factor (Percent)
Loss Cost Multiplier	
EL Increased Limits Factor	
Deductible Credit	
Schedule Rating Factor (if applicable)	
Premium Discount Factor (if applicable)	

Any First Year Policy Implementation Fee (if applicable) \$ _____

Total Policy Premium Due (9/1/2011 – 6/30/2012) using data provided in Exhibit 2.
\$ _____

List separately Annual Aggregate Deductible levels and costs.

\$250,000 Per Occurrence Deductible

	Factor (Percent)
Loss Cost Multiplier	
EL Increased Limits Factor	
Deductible Credit	
Schedule Rating Factor (if applicable)	
Premium Discount Factor (if applicable)	

Any First Year Policy Implementation Fee (if applicable) \$ _____

Total Policy Premium Due (9/1/2011 – 6/30/2012) using data provided in Exhibit 2.
\$ _____

List separately Annual Aggregate Deductible levels and costs.